

Fabian Tract No. 121.

PUBLIC SERVICE
VERSUS
PRIVATE EXPENDITURE.

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Public Wealth and Corporate Expenditure.

*An Address to the Ancient Order of Foresters at their Annual Gathering in Birmingham Town Hall, on Sunday, October 9th, 1904.**

"PUBLIC WEALTH" means wealth belonging to a Community or Corporate Body; and the possessor of such wealth can utilize and administer it as Corporate Expenditure. By "Corporate Expenditure" I mean not municipal expenditure alone, nor trades union expenditure alone, nor benefit society expenditure alone, but something of all of them; combined expenditure for corporate ends, as distinguished from private and individual expenditure. I wish to maintain that more good can be done and greater value attained by the thoughtful and ordered expenditure of corporate money, than can be derived from even a lavish amount distributed by private hands for the supply of personal comfort and the maintenance of special privileges.

It sounds like a secular subject, but no subject is really secular, in the sense of being opposed to sacred, unless it is a subject intrinsically bad; and if the truth be as I imagine myself now to conceive it, the subject I am endeavoring to bring forward has possible developments of the most genuinely sacred character. I shall not have time to develop this fully, but I can make a beginning.

Careless Spending.

First I would direct your attention to a fact and ask you to observe how little thought is expended by mankind in general on the spending of money, and how much time and attention are devoted to the earning of it. That may seem natural; it is considered easy to spend and hard to earn. I am by no means sure that it is easy to spend wisely. Men who have much money to spend—and few of us are in that predicament—if they are conscientious

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and good men, feel the difficulty seriously; they realize that it is so easy to do harm, so difficult to know how to do real good. Charity may seem a safe and easy method of disbursing, and much of it at present alas is necessary, but few things are more dangerous: it is an easy salve to the conscience, but it by no means conduces to fulness and dignity of life.

But eliminating men of large fortunes, let us attend to our own case. We, the ordinary citizens, how little time do we find to consider our manner of spending; we mostly do it by deputy, all our time is occupied in earning. It may be said roughly that men earn the money and that their wives spend it: a fair division of labor. They spend it best: and if the man insists on retaining and spending much of it, he is liable to spend it very far from wisely or well.

Public v. Private Expenditure.

I will not labor the point; we get something by private expenditure undoubtedly: we get the necessities of life, and we get some small personal luxuries in addition. We do not get either in the most economical fashion. Buying things by the ounce or by the pint is not the cheapest way of buying; nor is a kitchen fire in every household the cheapest way of cooking, especially in the summer. Without going into details, and without exaggerating, we must all see that individualism results in some waste. If each man pays for the visits of his own doctor it is expensive. If each man provides his own convalescent home it is expensive. If each man goes on his own excursion or travels it is not so cheap as when several club together and run the journey on a joint purse. Private and solitary travel may be luxurious, but it is not cheap. A cab is dearer than an omnibus; a private garden is far dearer in proportion than a public park. Of private expenditure altogether it may be said: some of it is necessary, much of it is luxurious, but none of it is economical.

Corporate or combined expenditure achieves a greater result, not only for the whole, but actually for each individual. "Each for himself" is a poor motto; the idea of "Each for all" is a far more powerful as well as a more stimulating doctrine than "Each for himself." Thus

already you see our subject shows signs of losing its secular character and of approaching within hailing distance of the outposts of Christianity.

The Objects of Thrift.

Very well, now go on to consider the subject of *thrift*—not personal spending, but personal saving. What is the saving for? There are two chief objects:—

(1) To provide for sickness, for old age, and for those who are dependent upon us, and whom we should otherwise leave helpless when we go. This is clearly the chief and especially forcible motive for saving: it is the main-spring and original motive-power of this and all other benefit societies. But there is also another not at all unworthy motive, though it is one less generally recognized or admitted, and to this I wish incidentally to direct attention.

The second great motive for thrift and wise accumulation is—

(2) To increase our own power and influence and effective *momentum* in the world.

The Power of Wealth.

The man of wealth is recognized as a force in the world, sometimes indeed a force for evil, sometimes for good, but undeniably and always a power. People often complain of this and abuse the instinct which recognizes wealth as being such a power. But it is inevitable. It does not indeed follow that great wealth need be concentrated in a few hands, or that one single individual shall have the disposal of it: it is an accidental and, as I think, an unfortunate temporary arrangement of society which brings about that result; but, whether in many hands or in few, wealth is bound to be a power: it is no use abusing what is inevitable, we must study and learn how to utilize the forces of nature. Wealth is one of those forces.

Why is it so powerful? Because it enables its owner to carry out his plans, to execute his purposes, to achieve his ends. He has not to go cap in hand to somebody and ask permission; he can do the thing himself. He cannot do everything indeed, his power is limited, but

he can do much. So also the members of a wealthy corporate body, if they want to do something, if they want to meet elsewhere than in a public-house, for instance, encounter no difficulty, they can have a hall of their own, or they can hire one. Wealth is accumulated savings. Considered as power, it does not matter whether the wealth is in many hands or in few. The owners of it are important people; and if they mean to do good the material accessories are at their command. A rich corporation, like a rich man, has great power. Suppose he wants to bring out an invention, his own or someone else's, he has the means. Suppose he wants to build a laboratory or endow a University, he can do it. Suppose he wants to plant waste land with forest trees, who will stop him? But he cannot do everything. A genius has powers greater than his. A rich man's power is great, but it is limited; for suppose he wants to compose an oratorio, to paint a picture, to make a scientific discovery, and has not the ability; his wealth is impotent, he cannot do it. No, his power is strictly limited, but it is not so limited as that of the poor man.

The Weakness of Poverty.

We are poor men, and some of us want to renovate the Black Country and cover up its slag heaps with vegetation and with forests—a beautiful and sane ideal—but it is a difficult task. I do not own a square foot of soil, nor do most of you. What right have we to go to plant trees on someone else's land? We should be trespassers; and, at a whim of the owner, they might be rooted up. The owners of the soil however may be willing for the re-afforestation of the Black Country, they may give us assistance, they may enable us to carry out the scheme. I sincerely hope they will, but we must go and ask them. Without the wealth we are powerless. We see so many things that might be done if we had the means: for instance, we helplessly lament the existence of slums, we see numerous ways in which to improve cities, we would like to suppress smoke and show how the air could be kept pure for the multitudes herded in cities to breathe and enjoy; but we cannot do it, we are not rich enough. Moreover, if we did, what would happen; at least at

first? Rents would rise, and the improved property would become too dear for the present inhabitants to live in. Clear and purify the air of towns, and they would at once, with their good drainage and fine sanitary conditions, become the best and healthfullest places to live in. Now they are too dirty, then they would be too dear.

But, if the land near all large towns belonged to the community, if we had corporate ownership of land, what would we not do! Then the improvements would be both possible and profitable, and the community who made them would reap the benefit.

Someday: someday an approach to this condition of things is bound to come. It feels to me almost like part of the meaning of that great prayer "Thy Kingdom come"; and if so we are again not far away from the atmosphere of Christianity.

Public Wealth and Public Debts.

For accumulation of wealth to be really beneficial it should contribute to the common weal, it should conduce to well being, and so be worthy of the name of *weal-th* or wealth.

The only way probably you and I can ever become wealthy is by becoming corporately wealthy, by clubbing our savings and becoming an influence and a power in the land.

Already I see, by your Report, that this organization or corporate body owns more than seven millions: not seven millions free to be dealt with as you like, it is all ear-marked to good and beneficent objects, and all needed for the achievement of those objects; but still it is a substantial sum, and it can increase. Roll it up to seventy millions, apply it to other objects than sickness and death, and you will become capitalists, able to execute your bests, an influence and a power in the world.

Would this be a good thing? Ah, that is a large question. There are always dangers in great capital, it is a serious responsibility; and if badly and domineeringly used, it may become a fearful evil. In unwise and unscrupulous hands, if they are ignorant and foolish, it is far from safe. But let it come gradually, let it be owned by mankind or by the community at large, and I for one

would trust them—we are bound to trust mankind—would trust them at first to endeavor to make a good use of it, and ultimately to succeed in so doing.

I believe in public capital and public expenditure, so it be clean and honest and well managed; everything depends upon that; but in this fortunate city that is already accomplished. What is known as a public debt is really a public investment, and anything not spent in the waste of war should have public works, or elevated humanity, or other good results, to show for it. Then it at once becomes capital, and is no more appropriately called debt; it has not been spent, but invested. "Funds" is a better name for it.

The Economy of Rising Rates.

That is why I believe in Rates—not altogether in the Poor Rate, for I am unable to feel that the Poor Law is on a satisfactory basis, though it is administered with the best intentions by the guardians: the system is as I think in some respects mistaken, but I will not go into that now; I only say parenthetically that the Poor Rate I do not welcome—but rates for public works, education rates, rates for municipal and corporate services generally, rates for museums and libraries and recreation grounds and parks and rational amusements, all these I would welcome and wish to grow.

We should not try to economize in these things, we should put our heads together so as to spend the public money wisely and well, and then, we should spend it. Private thrift, public expenditure; that is the way to raise a town or a nation in the standard of civilization.

The spendings of an individual, what are they? They are gone in his individual comfort and luxury. The spendings of a community are Capital: they result in public works, in better housing, in good roads, in thorough lighting; they open up the country, they develop its resources, they educate the citizens, they advance all the amenities of existence, in an economical because corporate or co-operative manner.

Good management is required; and that is why you take pains to send good men to the City Council to look after your interests: your interests, not in screwing and

economizing, but in spending wisely and honestly and well, getting the most they can for your money, and looking out for improvements and for good schemes worthy of encouragement. And when they do this well, be ready to trust them with more; see that not only the municipal but the national purse also is properly supplied. Our National Government is for all good purposes miserably poor. I fear there is sad waste somewhere, and that before the taxes can be judiciously raised the sources of the waste must be discovered and checked. I trust that already this labor is being put in hand. You have fine public servants who are trying to do their best with an ancient and very cumbrous and over-centralized machine; much revenue has to be spent in various unprofitable ways, wars and other, but in every good and noble direction of expenditure the country is miserably poor. Where it is economical it should be lavish; and where it is lavish it should be economical; that is an exaggeration, but there is a kind of truth underlying it. Our national economy in higher education is having disastrous results, it is a real danger to the Nation. While other nations are investing millions of public money on higher education and research we prefer to keep the money in our pockets in order to spend it privately; and the result is that while the State is poor the individual is rich. Individuals are over rich in this country; money breeds money on our present system with very little work, and it is apt to roll itself up into portentous and top-heavy fortunes. The result is, I fear, a state of things that some people say is becoming a scandal. I do not know. But however that may be I should like to see this wealth owned by communities; I should like to see it in corporate hands and expended for the general good.

Unearned Incomes.

Do not think that the original making of a fortune is easy. Most fortunes began by thrift and enterprise; it is not the making of a fortune that is easy: it is the transferring and the inheriting of it that are so fatally easy and so dangerous. If the maker of the fortune himself had the disbursing of it, there would be but little harm done, and there might be much good. No fortune can be

honestly *made* without strenuous industry and character. But a fortune can be inherited, *can* be inherited I say, though I hope it seldom is, by a personification of laziness and folly and vice.

That however is not my point. My point is that self-denial is the beginning of capital and the essence of thrift—present self-denial for future good. This self-denial for future good you of this and kindred societies are already exercising in a small way, but it is possible and indeed likely that it will come to be exercised in a larger way, and so gradually a considerable fraction of the property of the world may ultimately pass into your hands. Wake up to this possibility, and do not abuse capital or capitalists, for some day you will be capitalists yourselves. Then it will strain your energies to know what to do with it, and how to use it for the best and highest good of humanity—the ascertainment of which is a noble aspect of human endeavor.

I do not expect agreement in all that I have to say, nor do I speak with authority; I am anxious to admit that I may be mistaken; I only ask you to consider and weigh my message, the more so if you disagree; as I know many will, especially in what follows:—

The Cheapness of High Salaries.

The tendency of public bodies is to economize in salaries. People look askance at highly paid public servants; whereas it is just from those that you do get something for your money. You don't get much service as a rule from dividend shareholders, but you do as a rule from salaried officers. That is the danger of municipalities and other democratic corporations: they will not realize with sufficient clearness that the manager and administrator is worthy of large remuneration, that to get the best man you must pay him well, and that to put up with a second rate article when you can get the best is but a poor policy, and in the long run bad economy. Cheap men are seldom any good. In a large concern they may waste more than their annual salary in a week. Some people want to pay all men alike. It will not work. It is a subject full of controversy, I know, and I do not wish to dogmatize, but so far as I can see, and I have no

personal interest in the matter, I say that the principle of inequality of payment must be recognized, that it is a necessary consequence of inequality of ability.

Some organizations seem to think, too, that the available work of the world is limited, and that you must each be careful not to do too much of it lest work become scarce. The truth is that the work potentially required by mankind is essentially unlimited; and if we could only get better social conditions there would be work and opportunity and scope for all, each according to his grade and power and ability.

Stand shoulder to shoulder and help each other, and form a banded community for mutual help, by all means; let all co-operate together, and let not one human being be idle except the sick and insane; but allow for different kinds of work, and put the false glamor of the idea of artificial equality out of your minds. In any organization, as in any human body, there must be head and there must be hands, there must be trunk and limbs: the good of the whole is secured by each doing his apportioned task and obtaining his appropriate nourishment: not every part alike, though each sufficient for his need: each brought up to his maximum efficiency.

And what is true of property is true of personal service also. That which is spent for the individual is of small value compared with service done for the race. It is on the pains and sacrifice of individuals that a community is founded. "The pleasures of each generation evaporate in air; it is their pains that increase the spiritual momentum of the world." (J. R. Illingworth, in *Lux Mundi*.) The blood of the martyrs was the seed of the Church; it is by heroism and unselfish devotion that a country rises and becomes great.

The Results of Public Spirit.

Witness the magnificent spectacle of Japan to-day: the State above the individual; common good above personal good; sacrifice of self and devotion to the community; these great qualities, on which every nation has risen to glory, were never displayed more brightly in the history of the world than now before our eyes. It is a nation which is saturated and infused with public spirit,

the spirit of the race, enthusiasm for the community and for the welfare of humanity. This is the spirit which elevates cities; it is this which makes a nationality; it is this which some day will renovate mankind.

A splendid article in the *Times* of last Tuesday calls it "the soul of a nation," a translation of the Japanese term Bushido. It is a sort of chivalry, but the term "chivalry" does not convey it; our nearest approach to it is "public spirit," public spirit in a glorified form, the spirit which animated the early Christian Church, so that prison, suffering, death itself, were gladly endured so that the gospel might be preached and humanity might be saved—a spirit which must be near akin to the divine idea of Sacrifice for the salvation of the world. To lose your life as the highest mode of saving it; to lose the world but retain the honor and dignity of your own soul; that spirit which animated the apostles, prophets, martyrs, is alive in Japan to-day. Is it alive in us as a nation? If not, if we have replaced it to any extent by some selfish opposite, by any such diabolically careless sentiment as "after me the deluge," then we as a nation have lost our soul, sold it for mere individual prosperity, sold it in some poor cases for not even that, for mere liquid refreshment, and we are on the down grade.

I trust it is not so, but sometimes I greatly fear it. It is surely not too late to arrest the process of decay; the heart of the Nation is sound enough: the men, as they said in South Africa, the men are splendid. Give them a fair chance, introduce better conditions, set forth high ideals, and be not ashamed to speak of these ideals and to follow them: then we shall find that there is plenty of the spirit of unselfishness still, the spirit which calls men to harder tasks than momentary spurts of bravery, calls us all to the long and persistent effort of educating ourselves in the facts of the universe, grasping the real truth of things, and, then with patience and self-control, applying our energies to the material betterment and spiritual elevation of the world.

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